



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MAY 3, 1999
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

UNITED STATES ANNOUNCES SUBSTANTIVE AGREEMENT ON AN ANTITRUST COOPERATION AGREEMENT WITH JAPAN

WASHINGTON, D.C. – President Clinton and Japanese Prime Minister Keizo Obuchi announced today that the United States and Japan have reached substantive accord on an antitrust cooperation agreement, which will allow the antitrust agencies in the two countries to combat anticompetitive activities more effectively. The agreement will be signed in the near future.

“This antitrust cooperation agreement represents an important first step in strengthening cooperation and coordination between the antitrust agencies of the United States and Japan, our second largest trading partner,” said Attorney General Janet Reno.

The agreement will improve the ability of both nations’ antitrust agencies to coordinate and cooperate on proposed mergers which affect both countries, prosecute international cartels operating in the U.S. and Japan, and address anticompetitive activities in Japan that have the ability to create market access problems. The agreement also will help the respective antitrust agencies address anticompetitive conduct when U.S.-Japan commerce is at issue.

“The substantive elements of this agreement represent a modern, bilateral antitrust cooperation agreement and are similar to those in our agreements with Canada and the European Union,” said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division.

Key elements include:

- *Notification of Enforcement Activities:* Each antitrust agency will notify the other of antitrust enforcement activities that may affect the other’s important interests.
- *Enforcement Cooperation and Coordination, and Positive Comity:* The antitrust agencies will consider cooperating and, when appropriate, will consider coordinating their activities consistently with the other party’s enforcement interests.
- *Positive Comity:* Each antitrust agency will give careful consideration to a request by the other to take antitrust enforcement action against illegal behavior occurring within its country that injures the other party’s interests.

- *Conflict Avoidance:* The parties will consider one another's interests in carrying out enforcement activities. The agreement includes a non-exhaustive list of factors to be considered in this regard.
- *Consultations and Exchange of Information:* The parties will consult with each other on matters which arise under the agreement. The parties agree to exchange antitrust-related information, within applicable confidentiality constraints.
- *Existing Laws:* The agreement will be implemented in accordance with existing laws in each country.

The U.S. has long believed that a strong Japanese antimonopoly law regime would benefit both countries. To date, the U.S. and Japan have been in a longstanding dialogue regarding antimonopoly law enforcement and competition policy in Japan through such outlets as annual meetings between antitrust authorities, the Framework for a New Economic Partnership, and the Enhanced Initiative on Deregulation and Competition Policy.

Klein added, "We believe the contacts established between the U.S. and Japanese antitrust agencies as a result of this agreement, will contribute to improving antitrust law enforcement for both Japan and the U.S."

President Clinton and Prime Minister Obuchi announced the launching of formal negotiations toward an agreement on September 22, 1998. Today's agreement will not change existing law in either country. The agreement is not a comprehensive antitrust mutual assistance agreement of the sort authorized by the International Antitrust Enforcement Assistance Act of 1994 and recently signed with Australia.

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